
Consumer Attitudes Towards The New Free-to-Air Channels

Introduction

In October 2010, Jigsaw Strategic Research conducted a quantitative study of more than 1,500 digital TV consumers to explore their attitudes towards free-to-air television and more specifically, the newly introduced free-to-air television channels.

The research found that:

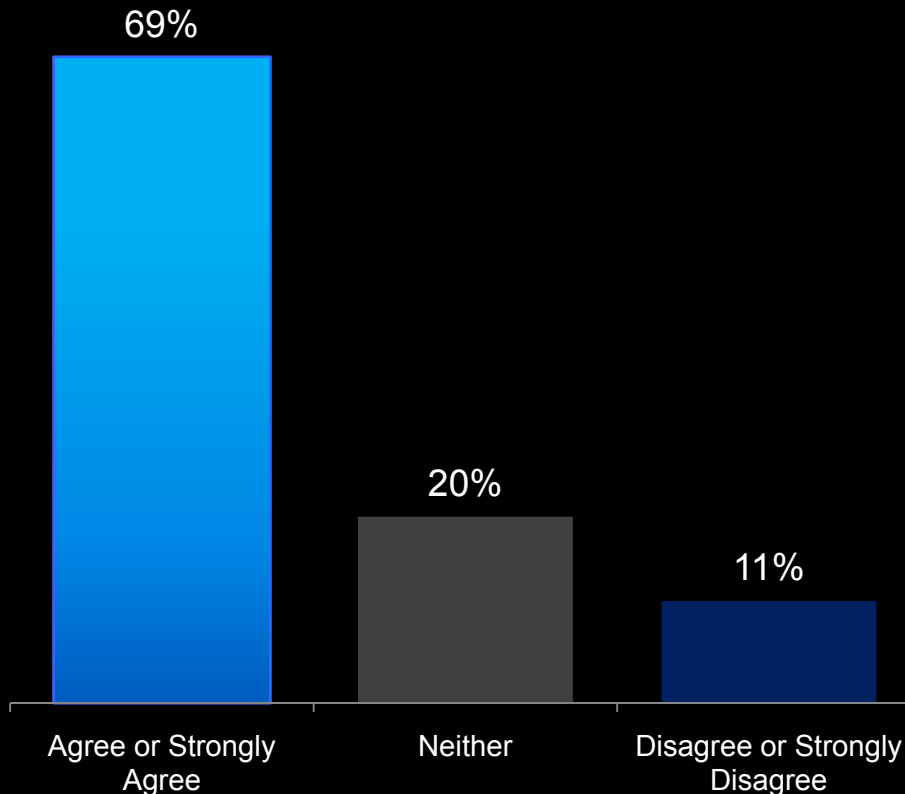
- the new channels are driving higher satisfaction levels with free-to-air television
- the new free-to-air channels are driving additional viewing
- the new free-to-air channels have quickly become part of people's regular TV viewing
- the increased choice offered by the new free-to-air channels are likely to negatively impact on pay TV's future growth
- consumers are much more accepting of the ads they see on free-to-air TV
- viewers are excited by the prospect of more free-to-air channels in the future.

VIEWER SATISFACTION

People are more satisfied with free-to-air TV

The new free-to-air channels are contributing to higher satisfaction levels with free-to-air TV, overall. Two-thirds of people agree that the *variety of programs* on free-to-air is getting better and 7 in 10 people say that *free-to-air TV, in general, is getting better*.

Free-to-air TV is getting better



Base: people with digital TV, n=1,504

High level of satisfaction with new channels

When specifically asked about the new channels, the majority of respondents say they are either very satisfied or satisfied with the quality of the programming on the new channels.

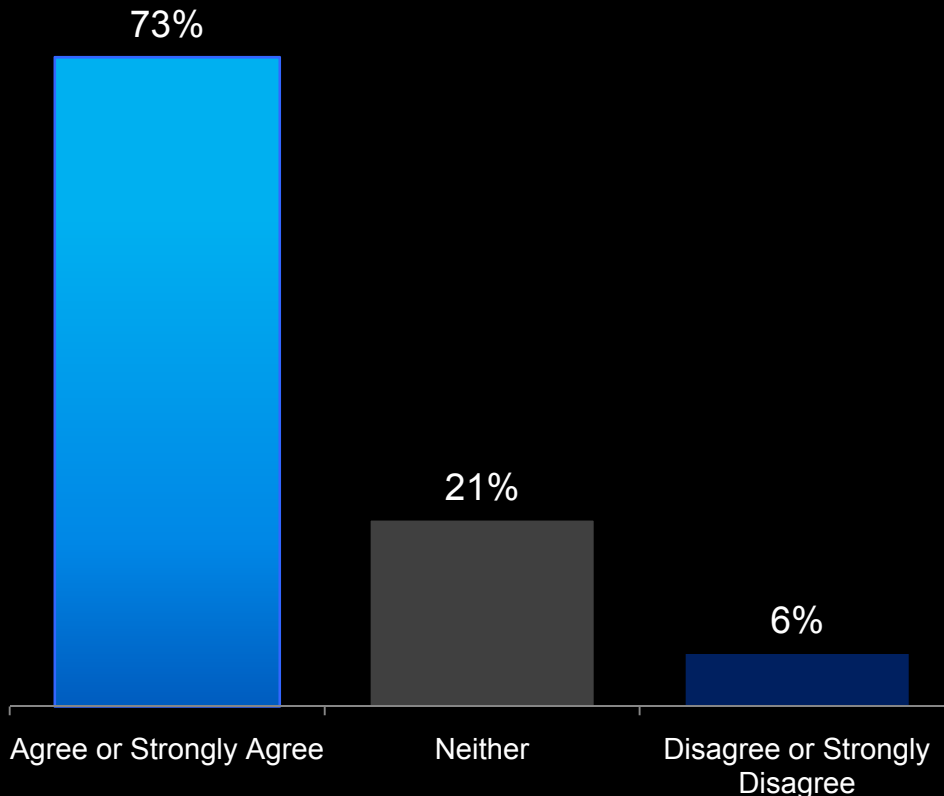
Two in three (64%)
people with digital TV are
very satisfied or
satisfied
with the programs on the
new channels

Only 7%
of people with digital TV are
very dissatisfied
or dissatisfied
with the programs on the
new channels

People are finding more of what they want

The increased choice provided by the additional channels means more people are finding more of they want to watch. More than half of respondents say there is more of what they want to watch on free-to-air TV now and an overwhelming majority say there is more choice of what to watch than ever before.

The new channels give me more choice than ever before

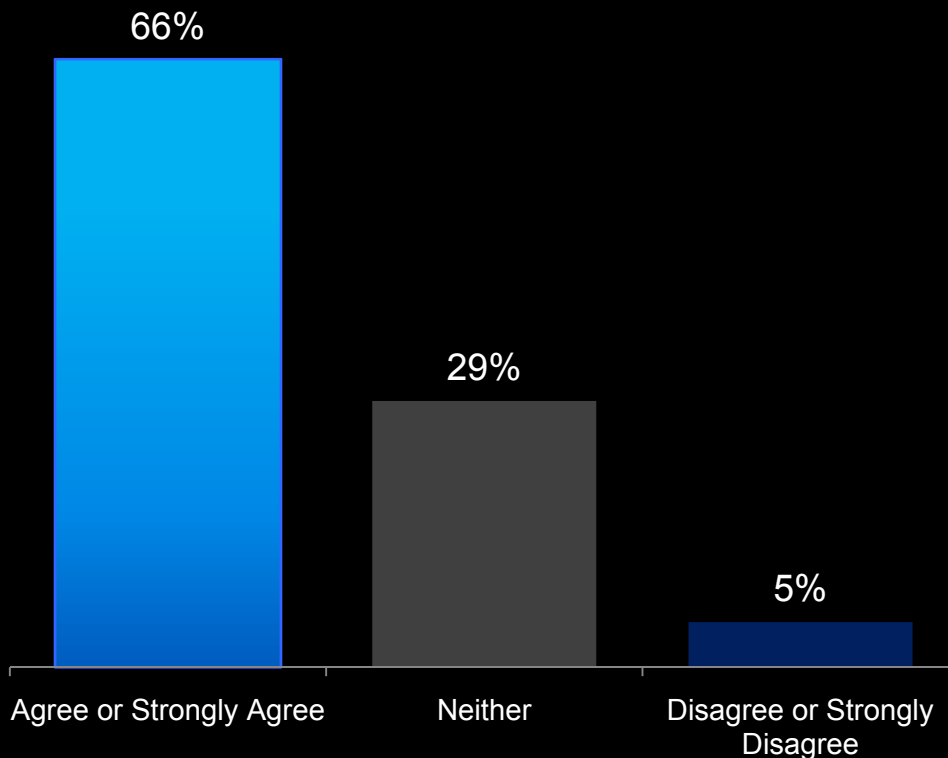


Base: people with digital TV, n=1,504

Genre-focus is appealing to viewers

The networks' strategy to launch genre-focused channels is proving popular with audiences. Two-thirds of consumers say they like the fact that the new channels specialise in different genres, or focus on certain themes.

Like that the new channels specialise in different genres



Base: people with digital TV, n=1,504

IMPACT ON VIEWING

People are watching more free-to-air TV

While people are sometimes hesitant to admit to watching more TV, one-third of respondents said they were watching more TV now that they have access to the new channels.

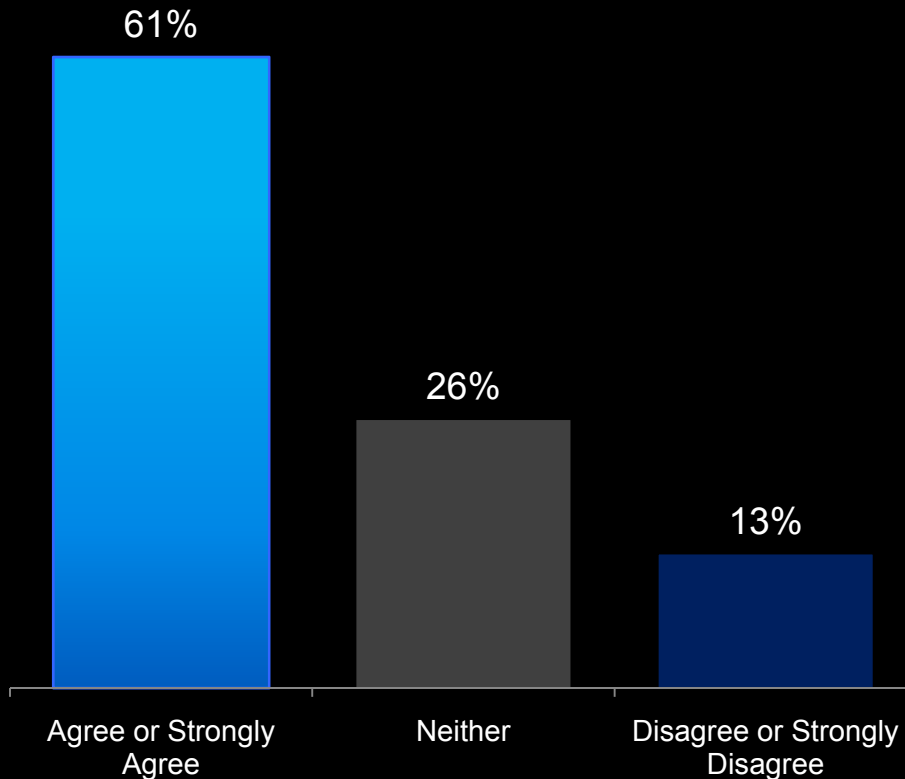
One in three (34%)
people are
watching more
television because of the
new channels

Only 7%
of people say they are
watching less
television because of the
new channels

New channels now part of everyday viewing

While the new channels have only been in market for a short time, they are quickly becoming a part of consumer's regular viewing repertoire with 6 in 10 people saying the new channels are now part of their regular TV viewing.

The new channels are part of my regular TV viewing



Base: people with digital TV, n=1,504



IMPACT ON PAY TV

New channels stalling pay TV's growth

We asked respondents about their future intentions to subscribe to pay TV now that they have access to new free-to-air channels. An overwhelming majority of respondents (77 per cent) said they are now much less or less likely to consider subscribing to pay TV.

Almost 8 in 10 people (77%)
told us they are now
much less or less likely
to consider subscribing to pay TV
because of the increased choice offered
by the new free-to-air channels

People are turning off pay TV

Of the lapsed pay TV subscribers we spoke to, two in three (64%) said that the increased choice offered by the free-to-air channels was an important factor in their decision to cancel their service. Of those who currently subscribe to pay TV, one in four (25%) say they are now likely to consider cancelling their service.

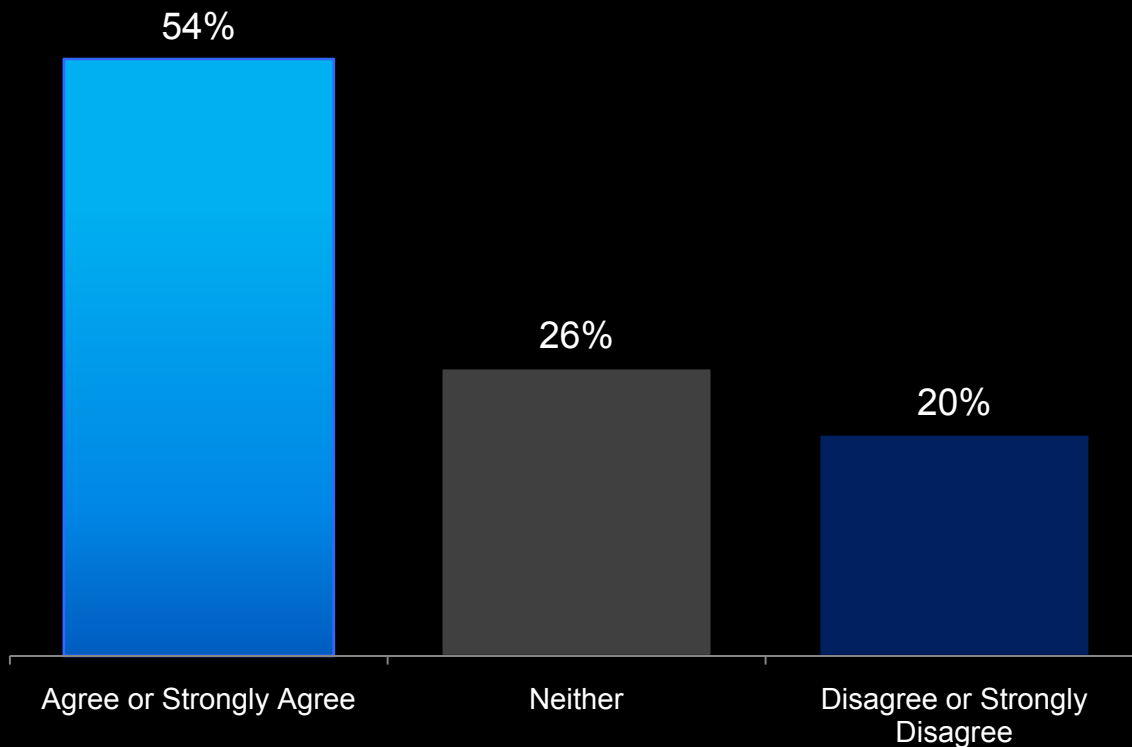
One in four (25%)
pay TV subscribers are now
very likely or likely
to consider
cancelling or downgrading
their pay TV service because of the
increased choice offered by the
new free-to-air channels

ATTITUDES TOWARDS ADVERTISING

People are accepting of ads on free-to-air

People are much more accepting of the advertising they see on free-to-air television because they understand that this is what funds the content they see for free.

Don't mind having ads on free-to-air TV

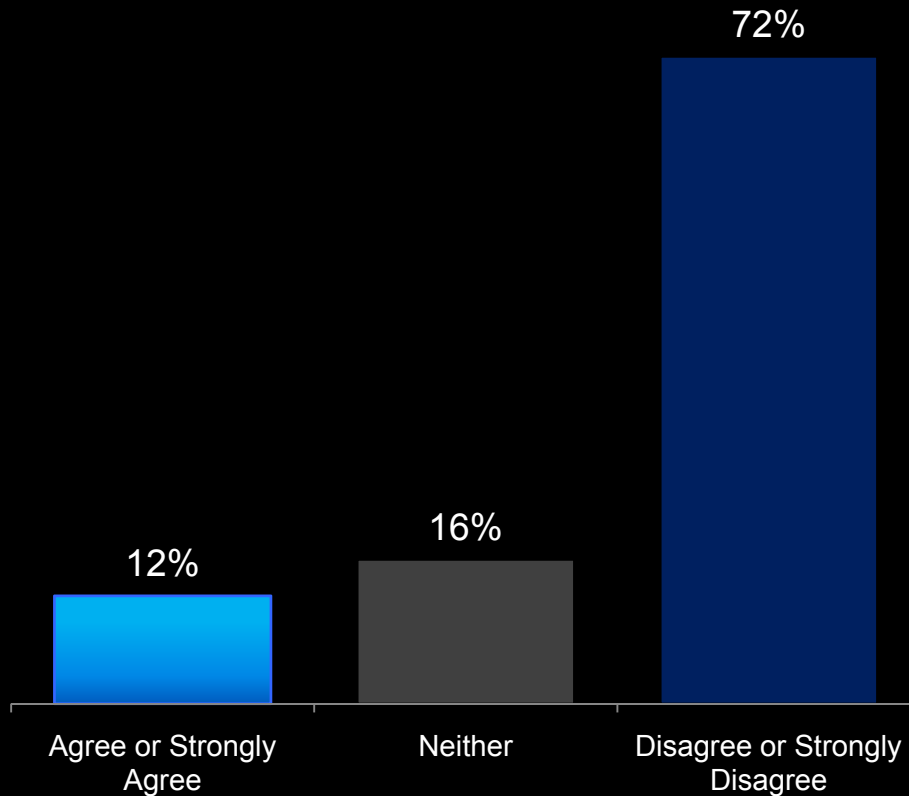


Base: people with digital TV, n=1,504

Low tolerance of ads on pay TV

People are much less accepting of the advertising they see on pay TV. We asked the same question to pay TV subscribers and only 12 per cent said they don't mind having ads on pay TV.

Don't mind having ads on pay TV



Just 12 per cent
of pay TV subscribers
don't mind having ads
on pay TV

FUTURE OUTLOOK

Positive response to more free channels

When asked about the prospect of more free-to-air channels launching in the future, 6 in 10 people said they are excited and almost half say that it is likely they will watch even more free-to-air television when new channels become available.

6 in 10
people are
**excited that more
free-to-air channels**
will be available in the future

Almost half (43%)
say that it is very likely or
likely that they
will watch more TV
when new channels
become available

ABOUT THE RESEARCH

About the research

- Research commissioned by Free TV Australia.
- Conducted by Jigsaw Strategic Research (AMSRS certified) in October 2010 in accordance with International Standard 20252.
- Quantitative study (online survey).
- Nationally representative sample of 1,504 consumers (aged 13 to 64 years) with digital television.
- The channels included in the study were 7TWO, GO!, ONE, 7MATE, GEM, as well as ABC2, ABC3, ABC News24, SBSHD and SBSTwo.
- Both 7MATE and GEM were launched just a few weeks prior to the research being in-field.

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